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# THE *Livestock* SITUATION

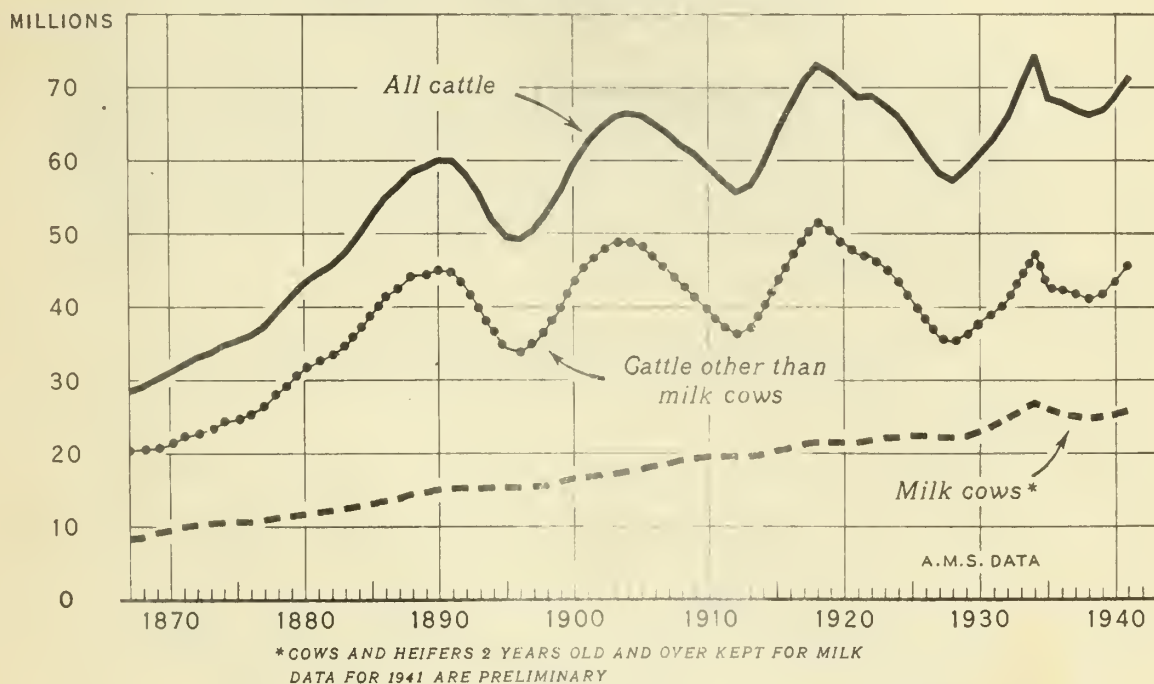
BUREAU OF AGRICULTURAL ECONOMICS  
UNITED STATES DEPARTMENT OF AGRICULTURE

LS-20

BAE

FEBRUARY 1941

## ALL CATTLE: NUMBER ON FARMS JANUARY 1, UNITED STATES, 1867-1941



U. S. DEPARTMENT OF AGRICULTURE

NEG. 34150

BUREAU OF AGRICULTURAL ECONOMICS

THE NUMBER OF ALL CATTLE AND CALVES ON FARMS ON JANUARY 1, 1941 WAS 2.9 MILLION HEAD LARGER THAN A YEAR EARLIER, AND IT WAS ABOUT 5.6 MILLION HEAD LARGER THAN AT THE RECENT LOW POINT IN EARLY 1938. CATTLE NUMBERS WERE REDUCED ABOUT 8 MILLION HEAD FROM EARLY 1934 TO EARLY 1938, CHIEFLY BECAUSE OF THE EFFECTS OF THE SEVERE DROUGHTS OF 1934 AND 1936. BUT THE INCREASE IN NUMBERS SINCE EARLY 1938 HAS CARRIED THE TOTAL TO A FIGURE ONLY 2.6 MILLION HEAD LESS THAN THE RECORD TOTAL OF EARLY 1934. WITH FEED SUPPLIES ABUNDANT IN MOST AREAS, FURTHER INCREASES IN NUMBERS ARE EXPECTED, AND THE 1934 LEVEL PROBABLY WILL BE EXCEEDED WITHIN THE NEXT TWO OR THREE YEARS.

## DRESSED WEIGHT OF LIVESTOCK SLAUGHTERED UNDER FEDERAL INSPECTION, UNITED STATES, 1921-40

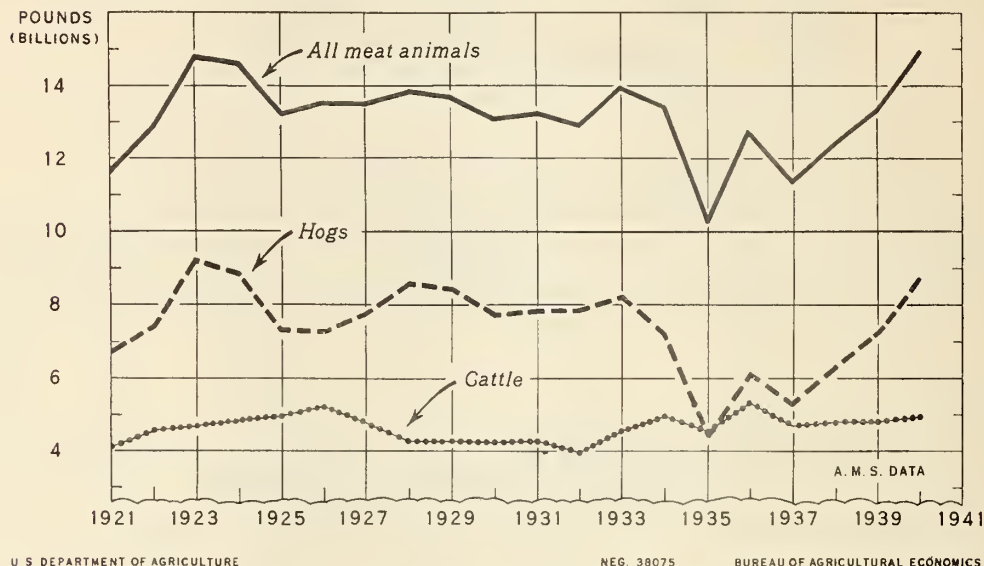


FIGURE 1.— THE TOTAL DRESSED WEIGHT OF LIVESTOCK SLAUGHTERED UNDER FEDERAL INSPECTION DURING 1940 WAS 12 PERCENT LARGER THAN IN 1939 AND THE LARGEST IN 20 YEARS. THE INCREASE OVER 1939 WAS ALMOST ENTIRELY DUE TO INCREASED SLAUGHTER OF HOGS. THE NUMBER OF PIGS RAISED INCREASED SHARPLY FROM 1936 TO 1939, BUT THE PIG CROP OF 1940 WAS 10 PERCENT SMALLER THAN THE RECORD CROP OF 1939. SOME FURTHER DECREASE IN HOG PRODUCTION IS INDICATED FOR 1941 AND THESE REDUCTIONS WILL BE REFLECTED IN REDUCED HOG SLAUGHTER DURING THE CURRENT YEAR. A MODERATE INCREASE IN CATTLE SLAUGHTER IN 1941 OVER 1940 IS EXPECTED BUT IT WILL NOT BE LARGE ENOUGH TO OFFSET THE DECREASE IN PORK PRODUCTION.

## INSPECTED SLAUGHTER OF STEERS, AND COWS AND HEIFERS, UNITED STATES, 1921-40

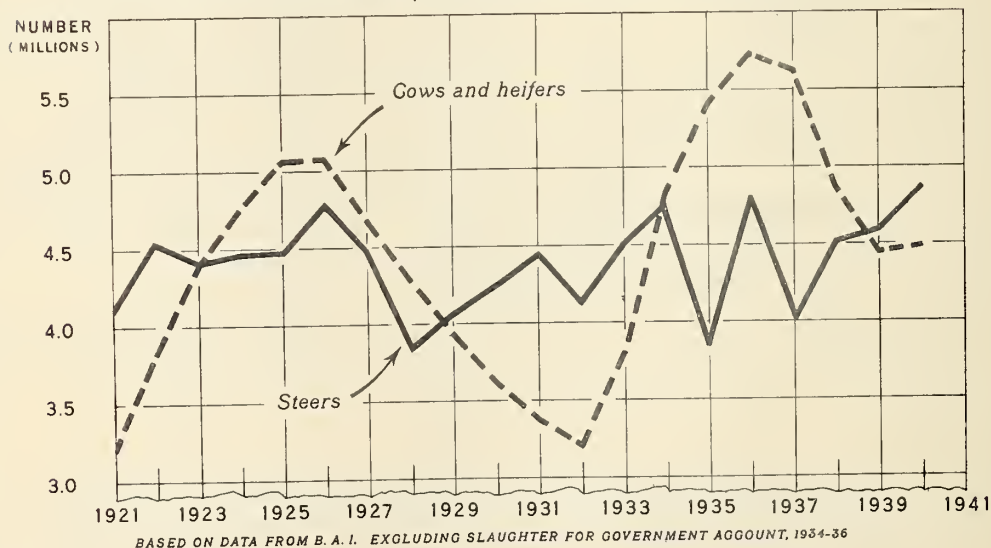


FIGURE 2.— MOST OF THE 3 PERCENT INCREASE IN FEDERALLY INSPECTED CATTLE SLAUGHTER IN 1940 OVER A YEAR EARLIER WAS IN STEERS. COW AND HEIFER SLAUGHTER INCREASED A LITTLE OVER THAT OF 1939, WHEREAS IT HAD DECREASED SHARPLY THE PRECEDING 2 YEARS. IT IS LIKELY THAT BOTH STEER AND COW AND HEIFER SLAUGHTER WILL INCREASE FURTHER IN 1941.

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THE LIVESTOCK SITUATION  
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Summary

The total number of cattle and calves on farms and ranches increased nearly 3 million head during 1940. Inspected slaughter of cattle and calves also was slightly larger in 1940 than in 1939. This indicates that the upward trend in cattle numbers has now reached the point where increases in cattle slaughter can take place at the same time that numbers on farms are being increased further.

Most of the increase in cattle numbers during 1940 was in the North Central States. Cattle numbers in the area extending southward from Montana and North Dakota to New Mexico and Texas are still below the 1934 peak, but in most other States the pre-drought level has been exceeded. Cattle numbers are expected to increase further during the next 2 years at least. Once the downward trend in cattle numbers gets under way, marketings of cattle and calves and production of beef and veal are expected to be exceptionally large.

The number of stock sheep and lambs on farms and ranches increased about 1 million head during 1940. As in other recent years, most of the increase was in the Western Sheep States, particularly Texas.

The seasonal decrease in hog supplies after mid-December was more pronounced this year than usual on account of the exceptionally heavy market movement of the 1940 spring pig crop during the first quarter (October-December) of the marketing year. Some further decrease in marketings will occur during the next month or so, and the seasonal increase in supplies during the late Spring and early summer probably will be less than usual. Supplies of hogs during the remainder of the 1940-41 marketing year (February-September) are expected to total around 15 to 20 percent smaller than in the corresponding period last year.

Hog prices have weakened somewhat since mid-January but most of the advance which occurred in late December and early January has been maintained. Hog prices are now about \$1.00 higher than they were 2 months earlier, and if domestic demand conditions continue to improve hog prices probably will advance somewhat further before the end of the marketing year.

Marketings of grain-fed cattle during 1941 will be larger than a year earlier as a result of the 11 percent increase in the number of cattle being fed this season over last. Most of the increase in marketings of fed cattle over a year earlier is expected in the last half of the year. The total live weight of cattle marketed for slaughter during 1941 as a whole is expected to be greater than in 1940, but the effect of this increase upon the average price received by farmers for cattle will be more than offset by stronger domestic demand conditions this year than last.

Cattle prices declined fairly sharply in late January and early February, following the advance in prices after mid-December. Prices of beef cattle are now around \$2.00 to \$3.00 higher than a year earlier.

Supplies of fed lambs will decrease seasonally during the remainder of the fed-lamb marketing season which ends about May 1. Marketings are expected to continue a little larger than in the corresponding period of 1940, however, as a result of the 6 percent more sheep and lambs on feed in the United States on January 1 than a year earlier.

Early lamb conditions are favorable in California and Arizona this year. Lambing has started in the early lambing areas of Idaho, Oregon, and Washington, and the condition of sheep and the feed supply in those regions are reported to be favorable for the early lamb crop.

Prices of sheep and lambs advanced sharply from mid-December to mid-January, despite a sharp increase in slaughter supplies in January over December. Prices weakened a little in early February, but most of the



advance of preceding weeks was maintained. The effect of larger supplies upon prices has been more than offset by stronger demand for meats and higher wool prices this year than last.

- February 20, 1941.

## REVIEW OF RECENT DEVELOPMENTS

### HOGS

#### Hog prices weakened somewhat in late January and early February

After advancing sharply in late December and in the first half of January, hog prices weakened somewhat in late January and early February. Most of the advance of preceding weeks was maintained, however, and in mid-February hog prices were around \$1.50 higher than they were in early December. The average price of butcher hogs at Chicago for the week ended February 15 was \$7.80, compared with \$8.25 in mid-January and \$5.25 in mid-February last year. Average prices of packing sows are now around 80 cents lower than average prices for barrows and gilts.

Corn prices have changed relatively little during the past few weeks, and the recent advance in hog prices has been reflected in considerable improvement in the hog-corn price ratio. The ratio based on the average price of hogs and of No. 3 Yellow corn at Chicago for the week ended February 15 was 13.3, compared with the level of 9.0 and lower which prevailed throughout 1940.

#### Hog slaughter reduced sharply in January

The weekly rate of hog marketings has fallen off sharply since mid-December. In January the number of hogs slaughtered under Federal inspection totaled 4,517,000 head, about 25 percent less than in December and 16 percent less than in January last year. Frequently the number of hogs marketed in January is as large as the number marketed in December, if not larger. This year, however, the market movement of hogs was exceptionally large during the first quarter (October-December) of the marketing year, and the seasonal reduction in marketings which ordinarily occurs after mid-winter has been earlier and more pronounced than usual.

The average live weight of hogs marketed has increased seasonally during recent weeks. The average live weight of hogs slaughtered during January was not greatly different from that of a year earlier.

#### Storage stocks of pork and lard increased further in January

The net in-storage movement of pork during January amounted to about 85 million pounds and raised storage stocks on February 1 to 741 million pounds. The in-storage movement was much smaller than in December when hog

slaughter was exceptionally large. January slaughter was about 25 percent smaller than in December, and the net increase in cold storage holdings of pork during the month was about the same as the 1935-39 average. Although considerably larger than on February 1 of the preceding 3 years, total storage holdings of pork on that date this year were not exceptionally large.

The net increase in storage holdings of lard during January amounted to around 13 million pounds - somewhat less than the average amount for the month. Lard stocks, however, totaling about 300 million pounds on February 1, were 50 percent larger than a year earlier, and the largest amount for that date on record. Included in the February 1 figure was 6.7 million pounds of lard owned by the Surplus Marketing Administration.

Storage holdings of pork and lard on the first of the month, average 1934-35 to 1938-39, 1939-40, and current marketing year

Month	Pork			Lard			Rendered pork fat
	Average	1939-	1940-	Average	1939-	1940-	
	1934-35	1939-	1940-	1934-35	1939-	1940-	
	to	40	41	to	40	41	1940-
	1938-39			1938-39			41
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Oct.	344.6	300.2	329.2	87.6	78.8	2/ 235.7	1/
Nov.	323.7	272.7	303.7	69.6	68.7	223.2	1/
Dec.	378.9	332.3	408.9	71.8	89.0	232.5	5.1
Jan.	502.0	469.5	656.2	95.6	162.1	287.0	7.1
Feb.	584.6	588.6	2/ 741.1	120.5	202.2	2/ 300.5	2/ 6.9
Mar.	603.7	650.7		126.7	256.6		
Apr.	580.1	652.7		129.9	268.8		
May	561.3	612.0		129.1	266.1		
June	515.7	592.6		129.4	283.9		
July	474.7	598.5		130.2	306.8		
Aug.	422.6	548.7		121.2	303.2		
Sept.	361.9	417.6		101.8	272.3		

1/ Not distinguished from lard prior to December, 1940.

2/ Preliminary.

#### Exports of pork and lard reduced in 1940

Exports of pork totaled only 94 million pounds in 1940, roughly 25 percent less than in 1939 and only 13 percent as much as the average yearly exports of pork during the early 1920's. Total exports of lard amounting to 201 million pounds were 76 million pounds smaller than in 1939 and only 23 percent as large as the 1921-25 yearly average.

Most of the decrease from 1939 was in shipments to the United Kingdom. Small increases in exports of pork to several Central and South American countries and of lard to Cuba and Mexico were more than offset by the loss of exports to Europe as a result of the war. Total exports of pork to Canada



for the year were relatively large because of exceptionally heavy shipments to that country for several months prior to March 1940. Since then exports to Canada have again been small.

Imports of hog products, which in some years have consisted of fairly large quantities of specialty products such as Polish hams, were negligible in 1940. The total value of net exports of pork and lard in 1940 amounted to 23 million dollars, compared with 40 million dollars in 1939.

Total exports of pork during December 1940 amounted to 2.7 million pounds, compared with 3.3 million pounds in November and 17.4 million pounds in December 1939. Exports of lard totaling 12.3 million pounds in December were 2.1 million pounds larger than in November but 6.6 million pounds smaller than in December 1939.

Pork and lard: Quantities exported and total value of net exports, 1921-40

Year	Total quantities exported		Total value
			net exports
	Pork 1/	Lard 2/	pork and lard
	Million pounds	Million pounds	Million dollars
Average			
1921-25 .....	717.9	887.8	236.0
1926-30 .....	321.5	741.2	158.6
1931 .....	159.9	578.3	76.5
1932 .....	116.3	552.2	43.9
1933 .....	142.0	584.2	49.6
1934 .....	150.5	434.9	47.1
1935 .....	88.7	97.4	28.8
1936 .....	67.9	112.2	27.5
1937 .....	63.2	136.8	23.3
1938 .....	95.6	204.6	35.6
1939 .....	129.5	277.3	40.4
1940 .....	93.8	201.3	23.3

1/ Includes bacon, hams, shoulders, and canned, fresh, and pickled pork.

Lard oil included prior to 1925.

2/ Includes neutral lard.

Hog production continues upward trend in Canada

Hog production in Canada has increased sharply since 1938, and it is expected to increase somewhat further in 1941. According to the December livestock survey of the Dominion Bureau of Statistics, the number of hogs on farms in Canada on December 1, 1940 was 6,117,000 head, 28 percent more than a year earlier and the largest number on record. Both the spring and fall pig crops in Canada were much larger than those of 1939, and the 1941 spring crop is expected to be about 2 percent larger than the 1940 spring crop. On the basis of the large increase in the 1940 fall crop and the expected increase in the 1941 spring crop, hog marketings in Canada in 1941 will be

materially larger than those of 1940. Marketing intentions reported by Canadian farmers indicate that farm and commercial slaughter of hogs during the period December 1940 to May 1941 will be about 35 percent greater than in the corresponding period a year earlier.

Factors chiefly responsible for the large increase in Canadian hog production during the past 2 years have been relatively high prices for hogs, feeding costs favorable to hog production, and adequate supplies of feed. Canadian hog prices have been supported during the past year by the Anglo-Canadian bacon agreement, under which relatively large quantities of bacon have been exported to Great Britain at a fixed schedule of prices. (See page 7, December 1940 issue of The Livestock Situation).

#### CATTLE

##### Cattle prices weakened in late January and early February

Prices of best grades of slaughter cattle declined fairly sharply during late January and early February, following the advance in prices after mid-December. Prices strengthened moderately in the second week of February, however. The recent decline in prices was more pronounced for the upper than for the lower grades of slaughter cattle, and this has resulted in some narrowing of the spread between prices of these grades, which has been exceptionally wide this winter. The average price of good grade beef steers at Chicago for the week ended February 15 was \$11.80, compared with \$12.55 in mid-January and \$9.30 in the corresponding week of 1940. Prices of feeder cattle, which had advanced sharply from mid-December to mid-January, also have weakened somewhat in late January.

##### Cattle slaughter increased moderately in January

Marketings of slaughter cattle increased moderately during January. Inspected cattle slaughter for the month totaled 891,000 head, 4 percent more than in December and nearly 8 percent more than in January last year. Market reports indicate that marketings of grain-fed cattle did not differ greatly from those of a year earlier, however.

Inspected calf slaughter totaling 411,000 head in January was 6 percent smaller than in December but only about 1 percent smaller than in January last year. Calf slaughter ordinarily is smaller in the winter than in other months of the year.

##### United States imports of cattle smaller in 1940 than in 1939

Imports of all cattle into the United States during 1940 totaled nearly 644,000 head, about 16 percent less than the 1939 total. Most of the decrease was in beef cattle from Canada and in feeder cattle and calves from Mexico. Imports from Mexico were exceptionally large in 1939, chiefly as a result of drought conditions in the northern part of that country. Imports

of cattle for dairy and breeding purposes totaling 23,000 head were a little larger than in 1939. As in the preceding 2 years, nearly two-thirds of the total number of cattle imported during 1940 was from Mexico and about one-third from Canada.

Imports of calves (cattle weighing less than 200 pounds) during 1940 totaled about 105,000 head, 5,000 head more than the yearly quota permitted entry at the reduced duty of 1-1/2 cents per pound under the 1938 trade agreement with Canada. The full duty is 2-1/2 cents per pound. Nearly 75 percent of the total number of calves imported came from Canada. Total imports of cattle weighing 200-699 pounds amounted to 346,000 head. These consisted largely of feeder cattle from Mexico on which there are no quota restrictions and the duty is 2-1/2 cents per pound.

Imports of heavy cattle, weighing over 700 pounds exclusive of dairy cattle, totaled nearly 170,000 head, considerably fewer than the annual quota of 225,000 head permitted entry at one-half the full duty of 3 cents per pound. In 3 quarters of the year, however, imports of such cattle from Mexico exceeded the quota allocated to countries other than Canada. The total number of such cattle entering at the full 3-cent duty from Mexico during 1940 was 13,665 head. In no quarter of the year did imports of this class of cattle from Canada exceed the quota assigned to that country. The number of heavy cattle allocated to Canada and other countries for import at the reduced rate of duty during 1941 will be the same as in 1940.

Total imports of beef and veal during 1940 also were smaller than in 1939. Imports of canned beef, chiefly from Argentina, Uruguay, Brazil and Paraguay, amounted to 61 million pounds, compared with 86 million pounds in 1939. Imports of fresh, pickled, and cured beef totaling 14 million pounds were 9 million pounds larger than a year earlier. Converted to a dressed-weight basis, imports of beef and veal totaled 168 million pounds, about 24 percent less than in 1939. Imports of dutiable cattle (excludes cattle for breeding purposes) totaled 183 million pounds on a dressed-weight basis, or about 17 percent less than in 1939. On a dressed-weight basis total imports of dutiable cattle, beef, and veal in 1940 were equivalent to about 6 percent of the total dressed weight of cattle and calves slaughtered under Federal inspection during the year.



United States: Imports of cattle, by classes, from Canada,  
Mexico, and all countries, 1936-40

Year	All countries					
	Less than	200-699	For dairy	Not for dairy	For	Total
	200 pounds	pounds	purposes	purposes	breeding	
	1/	2/				
	Number	Number	Number	Number	Number	Number
1936	57,314	176,435	6,689	158,675	11,186	410,299
1937	82,052	223,837	6,723	182,533	12,379	507,324
1938	47,708	243,831	7,445	125,816	9,631	433,031
1939	115,092	401,874	8,603	228,001	10,083	763,653
1940	104,602	346,289	9,600	169,720	13,621	643,832
	Canada					
1936	55,695	35,149	6,686	136,533	10,346	244,409
1937	80,792	50,355	6,723	157,468	11,351	306,689
1938	45,645	9,147	7,442	75,529	9,080	146,843
1939	81,832	11,229	8,570	172,753	9,599	283,983
1940	74,681	10,076	9,595	125,004	12,904	232,260
	Mexico					
1936	1,615	140,439	---	21,992	684	164,730
1937	1,259	172,717	---	24,792	692	199,460
1938	2,062	235,752	---	49,740	383	285,937
1939	33,259	390,074	---	55,232	267	478,832
1940	29,921	336,207	---	44,715	602	411,445

United States Department of Commerce.

1/ Less than 175 pounds prior to January 1, 1939.

2/ 175-699 pounds prior to January 1, 1939.

LAMBS

Lamb prices advanced sharply  
from mid-December to mid-January

Prices of sheep and lambs advanced sharply from mid-December to mid-January, despite a large increase in slaughter supplies in January over December. Prices weakened a little in early February but strengthened again by the middle of the month. The average price of good and choice grade slaughter lambs at Chicago for the week ended February 15 was \$10.50, compared with \$9.20 in mid-December and \$9.30 in the corresponding week of 1940. Prices of yearling wethers and of slaughter ewes are now around \$1.00 higher than a year earlier. Stronger consumer demand for meats and higher wool prices than a year earlier have been important factors supporting prices of sheep and lambs this winter. In mid-February the price of Fine A grade pulled wool at Boston was around \$1.06 per pound, scoured basis, compared with 89 cents per pound a year earlier.

Sheep and lamb slaughter  
increased sharply in January

Marketings of sheep and lambs for slaughter increased more than the usual seasonal amount from December to January, probably as a result of the larger number of lambs on feed January 1 this year than usual. Federally inspected slaughter of sheep and lambs during January totaled 1,625,000 head, nearly 15 percent more than in December and 2 percent more than in January last year.

LIVESTOCK NUMBERS ON FARMS JANUARY 1, 1941

The total number of livestock on farms January 1, 1941 was not so large as a year earlier. In terms of grain-consuming animal units the decrease amounted to about 4 percent - from 138.4 million units on January 1, 1940 to 132.9 million units on January 1 this year. Moderate reductions occurred in the number of horses, mules, chickens, and turkeys during the year, but hog numbers were down sharply from a year earlier as a result of decreases in the 1940 spring and fall pig crops. The number of sheep, milk cows, and other cattle continued the upward trend of the past few years. The average farm value per head was higher this January 1 than last for all livestock except horses and mules.

The number of all cattle and calves on farms January 1, 1941 totaled 71.7 million head, 2.9 million head (about 4 percent) more than a year earlier. Cattle numbers have now increased about 5.6 million head from the recent low level reached at the beginning of 1938. Most of the increase since 1938 has been in cattle other than milk cows. The number of milk cows has increased a little over 1 million head in the past 3 years, whereas the total number of all other cattle has increased 4.5 million head in this period.

Most of the increase in cattle numbers during 1940 was in the North Central (Corn Belt) States. The total in that area on January 1 of 33.5 million head was nearly as large as at the beginning of 1934. Totals were still below the 1934 level in the Dakotas, Nebraska, and Kansas, however. Increases over January 1, 1940 occurred in most of the Western Range States. The region extending southward from Montana and North Dakota to New Mexico and Texas is the only important area where cattle numbers are below the 1934 level.

The total number of stock sheep and lambs on farms and ranches on January 1, 1941 was 49.7 million head, 2 percent more than a year earlier and the largest number since about 1885. As in other recent years, most of the increase was in the Western Sheep States, particularly Texas. Sheep production has increased sharply in Texas during the past 25 years, and the total number of stock sheep in that State on January 1 of 10.3 million head was 5 percent greater than a year earlier and five times greater than it was prior to about 1920. Most of the increase in sheep numbers in the Native Sheep States was in the Corn Belt.



## Number and value of livestock on farms, January 1, 1939-41

Species	Number on farms January 1			Total farm value January 1		
	1939	1940	1941	1939	1940	1941
	1,000 head	1,000 head	1,000 head	1,000 dollars	1,000 dollars	1,000 dollars
Horses	10,815	10,602	10,364	912,148	820,127	706,940
Mules	4,384	4,309	4,238	515,755	493,653	448,062
Cattle	66,789	68,801	71,666	2,568,251	2,793,466	3,111,925
Milk cows	25,088	25,397	25,917	1,397,001	1,453,756	1,577,250
Sheep	53,783	54,549	55,880	309,280	343,825	375,631
Hogs	49,293	60,207	52,983	552,626	470,242	440,073
Chickens	412,604	429,042	413,934	288,335	258,997	270,265
Turkeys	6,418	8,567	7,030	16,587	18,679	16,178

## OUTLOOK - HOGS

BACKGROUND.- After having been sharply curtailed from 1935 through 1937 as a result of reduced feed supplies, hog production increased sharply in 1938 and 1939. The 1939 pig crop was the largest in the 16 years of record. It was 21 percent larger than the 1938 crop and 56 percent greater than the small crop of 1935. As a result, supplies of hogs in the 1939-40 marketing year were larger than in any year since 1928-29, and hog prices declined to the lowest level reached since 1934. The hog-corn price ratio was unfavorable for hog production throughout 1940, and this was reflected in a reduction in the number of pigs raised during 1940 and in an early market movement of the 1939 spring pig crop.

The outlook for hogs has not changed materially during the past month. As was expected, the seasonal reduction in hog marketings which occurred in late December and early January was more pronounced than a year earlier, and hog supplies are now running smaller than in corresponding weeks of 1940. This has been reflected in considerable improvement in hog prices since early December. Following is a summary of the important points in the outlook for hogs as given in the January and earlier issues of The Livestock Situation.

1. The 1940 pig crop estimated at 77.0 million head was 10 percent smaller than the record crop of 85.9 million head raised in 1939. This reduction will be reflected in smaller slaughter supplies of hogs during the 1940-41 hog marketing year (October-September) than in 1939-40. On the basis of the relationship between year-to-year changes in the size of the pig crop and hog slaughter in previous years, the number of hogs slaughtered under Federal inspection during 1940-41 is

expected to total around 44 million head, compared with 50.4 million head in 1939-40.

2. Despite the 10 percent fewer pigs raised in 1940 than in 1939, hog marketings in the first quarter (October-December) of the 1940-41 marketing year were much larger than a year earlier. This will mean that all of the reduction in marketings for the year will take place during the last three quarters (January-September). The total number of hogs marketed during this period is expected to be around 15-20 percent smaller than in the corresponding months of 1940.

Pig crops and federally inspected slaughter of hogs,  
1929-33 average, 1939 and 1940

Item	1929-33 average		1939	1940
	Number	Percentage		
	: of yearly total :			
	Thousands	Percent	Thousands	Thousands
Pig crop				
Spring .....	51,657	64.5	53,207	48,369
Fall .....	28,375	35.5	32,687	28,587
Total .....	80,032	100.0	85,894	76,976
Federally inspected				
slaughter (year begin-				
ning October 1)				
October .....	3,557	7.8	3,545	4,483
November .....	4,204	9.3	4,437	5,419
December .....	4,846	10.7	5,236	6,063
January .....	5,096	11.2	5,356	4,517
February .....	3,969	8.8	4,277	
March .....	3,444	7.6	3,981	
April .....	3,528	7.9	3,610	
May .....	3,935	8.7	3,890	
June .....	3,730	8.2	3,886	
July .....	3,199	7.1	3,219	
August .....	2,862	6.3	3,045	
September .....	2,924	6.4	3,168	
Total marketing year ...	45,354	100.0	47,650	

3. Hog marketings have fallen off sharply since mid-December and some further seasonal reduction in supplies will probably occur during the next few months. And, since the reduction from a year earlier in the 1940 fall pig crop was greater percentagewise than the reduction in the spring crop (13 compared with 9 percent), the seasonal increase in marketings in the late spring and summer of this year may be less than usual.

4. According to breeding intentions reported by farmers about December 1, the 1941 spring pig crop will again be reduced. The indicated decrease in the number of sows to farrow in the spring of 1941 is 14 percent from the numbers farrowed in the spring of 1940. Since the hog-corn price ratio has now become favorable for hog production, the decrease in the number of pigs raised in the spring season of 1941 may not show as large a percentage decrease from a year earlier as is indicated by the reported breeding intentions. Nevertheless, it is certain that the number of hogs marketed in the first quarter (October-December) of the 1941-42 marketing year will be smaller than in those months of 1940, and slaughter for the entire calendar year of 1941 will be much smaller than in 1940.
5. With the outlook for continued improvement in domestic consumer demand conditions in 1941 and smaller marketings of hogs than in 1940, hog prices are expected to average materially higher this year than in 1940. Little if any improvement in export demand for hog products is in prospect, but since exports have been small in recent years, this will not constitute an important price-depressing factor. The increase in prices is expected to more than offset the decrease in marketings, and farmers will receive a larger cash income from the sale of hogs this year than last.
6. The recent rise in hog prices has been reflected in a marked improvement in the hog-corn price ratio. The ratio is now above the long-time average and is expected to continue favorable for hog production throughout 1941. An increase in the 1941 fall pig crop over that of 1940 is probable.

#### OUTLOOK - CATTLE

BACKGROUND.— From early 1934 to early 1938 cattle numbers in the United States were greatly reduced, largely as a result of the severe droughts of 1934 and 1936. Slaughter of cattle and calves was relatively large during this period. Since 1938 cattle numbers have again increased, and as a result of the holding back of breeding stock for herd-building purposes, slaughter of cattle and calves was reduced moderately in 1938 and 1939. Cattle slaughter increased slightly in 1940.

Total cattle slaughter expected  
to be larger in 1941 than in 1940

The total live weight of cattle and calves slaughtered in 1941 is expected to be larger than in 1940. The number of cattle and calves on farms and ranches has been increasing during the past 3 years, and although the upward trend may continue 2 or 3 more years, herds have been built up to the point where increases in slaughter can take place at the same time that numbers on



farms are being increased further. This situation apparently occurred to a moderate extent last year (1940) when the total number of cattle and calves slaughtered under Federal inspection was 3 percent larger than a year earlier and the total number of cattle and calves on farms increased 2,865,000 head from January 1, 1940 to January 1, 1941.

Most of the increase in inspected cattle slaughter in 1940 over 1939 was in steers. Inspected steer slaughter totaling 4.9 million head was 6 percent larger than in 1939 and the largest in the 22 years of record. Inspected cow and heifer slaughter totaled 4,481,000 head, compared with 4,446,000 head in 1939. This slight increase in the slaughter of cows and heifers in 1940 is the first increase since 1936, and it probably marks the beginning of an upward trend in cow and heifer slaughter which will continue for several years.

The extent to which marketings of cattle and calves for slaughter will increase in 1941 over 1940 will depend chiefly upon how large a number of breeding stock producers hold back for herd-building purposes. Barring unfavorable weather conditions, the increase in breeding stock during 1940 will be reflected in a substantial increase in the 1941 calf crop over that of 1940. And even though producers should hold back breeding stock in about the same number as they did in 1940, total slaughter of cattle and calves in 1941 could exceed that of a year earlier by as much as 4 or 5 percent. If there should be no increase in cattle numbers during 1941, total slaughter of cattle and calves during the year could easily exceed 26 million head, which would be one of the largest on record.

In view of the fact that cattle prices are now high in relation to prices of feed and many other farm products, it seems likely that the upward trend in cattle numbers will continue for the next 2 years at least. It is also probable that the peak in cattle numbers of 74.3 million head reached in 1934 will be exceeded before a downward trend in numbers gets under way. The upward trend in cattle numbers has now reached the point where the annual production of cattle and calves for slaughter is relatively large. This will be true for several years after the peak in numbers is reached. And once the downward trend in cattle numbers gets under way marketings of cattle and calves will be exceptionally large. Thus, over a period of the next few years, a material increase in the production of beef and veal is probable. If hog production continues at about the level of the past 2 or 3 years, total meat supplies in this period will be exceptionally large and a high level of domestic demand conditions will be necessary if low prices for cattle and calves are to be avoided.

#### Marketings of grain-fed cattle in 1941

As was indicated in the January issue of The Livestock Situation, marketings of grain-fed cattle during 1941 will be larger than a year earlier as a result of the 11-percent increase in the number of cattle being fed this season over last. Most of the increase in marketings of fed cattle over a year earlier is expected in the last half of the year. Supplies in the first 4 months of 1941 probably will not differ greatly from those of a year earlier.

Cattle prices in 1941

Consumer purchasing power has been improving steadily during the past several months in response to an even sharper rise in industrial and business activity in the United States. Consumer demand for farm products, as usual, has lagged behind this upward trend but will continue to improve during 1941. Although slaughter supplies of cattle are expected to be somewhat larger this year than last, the effect upon prices is expected to be more than offset by the stronger consumer demand for meats than a year earlier. In 1940 cattle prices averaged considerably higher in the last half than in the first half of the year. Present indications are that cattle prices will not advance as much throughout the year as they did in 1940, and that they will be higher relative to a year earlier in the first half than in the last half of the year.

OUTLOOK - LAMBS

BACKGROUND.- The total number of stock sheep and lambs on farms and ranches has not fluctuated greatly during the past 10 years, although there has been a slight upward trend since 1935. The lamb crop in the Western Sheep States also has increased moderately since 1935, but the crop in the Native Sheep States has changed little since 1931. The 1940 lamb crop was 3 percent larger than that of 1939, but inspected slaughter of sheep and lambs during 1940 was only 1 percent larger than a year earlier; the number of lambs marketed as feeders last fall was larger than a year earlier.

Supplies of fed lambs

Supplies of fed lambs will decrease seasonally during the remainder of the fed-lamb marketing season which ends about May 1. Marketings are expected to continue a little larger than in the corresponding period of 1940, however, as a result of the 6 percent more sheep and lambs on feed in the United States on January 1 than a year earlier. Reports indicate that the market movement of fed lambs from Corn Belt feed lots during January was fairly large, but a considerable proportion of the January supply was from wheat pastures, particularly in Kansas where feeding conditions were considerably more favorable this season than last. The number of lambs being fed in the Colorado and Nebraska feeding areas is not so large this winter as a year earlier, and the number remaining on feed on February 1 was smaller than on the corresponding date of each of the preceding 2 years. Marketings of shorn yearlings from Texas are expected to be a little larger this spring than last.

Early lamb crop

Early lamb conditions are favorable in California and Arizona this year. Lambing has started in the early lambing areas of Idaho, Oregon, and Washington, and the condition of sheep and the feed supply are reported to be favorable for the early lamb crop. Last year the early lamb crop developed rapidly in the Western States, but weather conditions were unfavorable for early lambs in most of the early lambing regions east of the Missouri River.



So far this winter weather conditions in the Western Sheep States have been better than average. Winter ranges used by sheep have provided considerable feed, and supplemental feeding has not been heavy. In most States precipitation has been plentiful, and the outlook for spring range conditions is good. The condition of sheep and lambs on February 1 in the Western Sheep States was reported above a year earlier and above average for that date.

#### THE WOOL SITUATION 1/

Sales of spot domestic wools at Boston were small in January and in early February. Prices declined slightly on some grades but quotations were largely nominal. Interest in the domestic market is shifting to the Western States where contracting of the 1941 clip has begun.

Domestic supply and demand conditions are favorable for the marketing of the 1941 domestic wool clip. The carry-over of domestic wool into the new season, which begins about April 1, is expected to be the smallest in recent years. Although imports of wool in the first quarter of 1941 will be large, mill consumption also will be large, and total stocks of domestic and imported wool in the United States on April 1 probably will be relatively small.

Mill consumption of wool in the United States in 1941 is expected to be larger than in 1940 with most of the increase in the first half of the year. The large consumption is expected to result in greater consumption of wool for both civilian and military uses in 1941. Consumption in 1940 was slightly larger than in 1939; except for 1935 it was larger than for any recent year.

The relatively small carry-over of wool in this country and prospects for a large mill consumption of wool in 1941 will be strong supporting factors to domestic wool prices. But wool supplies available for shipment from foreign countries to the United States are relatively large, and any advance in domestic prices from present levels is likely to be moderate.

United States imports of apparel wool for consumption in 1940 totaled 223 million pounds. Imports in 1940 were 125 million pounds larger than in 1939 and were the largest since 1923 when they totaled 266 million pounds. Stocks of apparel wool in the United States (excluding wool afloat) on December 31, 1940 were about equal to those of a year earlier but were much smaller than December 31 stocks in the years 1935-38.

1/ From the February 1941 issue of The Demand and Price Situation. For detailed information copies of The Wool Situation may be obtained upon request to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

## Supplies of hogs and hog products, specified periods

Item	Unit	Dec. 1939	1940		Oct.-Sept.			Oct.-Dec.	
			Nov.	Dec.	Average:			1939	1940
					1928-29:	1938-	1939-		
					to	39	40		
					1932-33:				
Hog slaughter under :									
Federal inspection:	Thou-								
No. slaughtered 1/:	sands	5,236	5,419	6,065	46,363	39,720	47,651	13,218	15,965
Live weight:									
Average .....	Lb.	232	225	228	231	234	234	229	226
Total .....	Mil.lb.	1,215	1,218	1,380	10,723	9,311	11,142	3,032	3,606
Total dressed wt. :	" "	907	899	1,021	8,069	6,975	8,303	2,261	2,668
Yield of lard per :									
100 lb. live wt. :									
of hogs .....	Lb.	14.2	12.0	13.2	15.2	2/12.8	2/13.2	13.1	12.2
Production of lard:	Mil.lb.	172	145	182	1,630	2/1,187	2/1,485	400	442
Exports: 3/									
Pork .....	" "	17	3	3	211	125	115	31	10
Lard .....	" "	19	10	12	657	270	232	64	33
Imports of pork 3/	" "	1	4/	1	6	50	7	3	1
Proportion of sows									
in inspected									
slaughter 5/ .....	Pct.	45.0	49.3	46.8	51.2	49.3	50.0	46.3	48.8

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Revised figures based on the amount of lard rendered in federally inspected plants as reported by the Bureau of Animal Industry.  
 3/ United States Department of Commerce. Pork includes bacon, hams, and shoulders, and fresh, canned and pickled pork. Lard includes neutral lard. 4/ Less than 500,000 pounds. 5/ Includes gilts.

## Prices of hogs and hog products, specified periods

Item	Unit	Jan. 1940	Dec. 1940	Jan. 1941	Oct.-Sept.			Oct.-Jan.	
					Average:			1939	1940
					1928-29:	1938-	1939-		
					to	39	40		
					1932-33:				
Av. price, all purchases:	Dol. per:								
Seven markets .....	100 lb.	5.19	6.08	7.58	1/	6.85	5.54	5.72	6.39
Chicago .....	" "	5.32	6.27	7.70	6.99	7.00	5.69	5.88	6.58
Av. price of barrows and									
gilts, Chicago .....	" "	5.40	6.37	7.81	1/	7.23	5.86	5.98	6.67
United States average price:									
received by farmers .....	" "	5.18	5.59	7.26	6.48	6.70	5.44	5.65	6.08
Av. price of No. 3 Yellow	Ct. per:								
corn, Chicago .....	bu.	58	62	68	62	49	60	53	65
Hog-corn price ratio:									
Chicago 2/ .....	Bu.	9.0	10.2	12.1	11.6	14.4	9.6	11.2	10.4
N. Central States .....	"	10.5	10.9	14.4	12.9	16.6	10.6	12.7	11.6
Proportion of packing sows									
in total packer & shipper :									
purchases, 7 markets 3/ ...	Pct.	5.0	7.0	6.0	1/	13.0	12.0	8.0	8.0
Av. weight at 7 markets ....	Lb.	240	231	240	1/	247	244	236	232

Compiled from reports of Agricultural Marketing Service. 1/ Not available.

2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs.

3/ Monthly figures computed from weekly averages.

## Slaughter and market supplies of cattle and calves, specified periods

Item	Unit	Year		Month				
		Average:		1939-40		1940-41		
		1924-33:	1940	Dec.:	Jan.:	Nov.:	Dec.:	Jan.:
Slaughter under Federal inspection:								
Number slaughtered:	Thou-							
Cattle 1/ .....	sands	8,850	9,756	773	827	884	858	891
Calves 1/ .....	"	4,819	5,359	381	416	462	437	411
Cows and heifers 2/ .....	"	4,181	4,481	360	371	497	459	
Steers 2/ .....	"	4,340	4,866	385	426	352	370	
Average live weight:								
Cattle .....	Pounds	953	940	967	962	927	939	
Calves .....	"	176	191	192	193	204	197	
Total dressed weight:								
Cattle .....	Mil.lb.	4,532	4,971	405	431	432	423	
Calves .....	" "	487	568	40	44	51	46	
Inspected shipments: 1/	Thou-							
Feeder cattle and calves ...	sands	2,894	3,162	200	148	344	212	
Imports:								
Cattle 3/ .....	"	253	644	29	70	59	40	
Canned beef 4/ .....	Mil.lb.	5/ 36	61	3	8	3	4	

Compiled from reports of Agricultural Marketing Service, except as specified.

1/ Bureau of Animal Industry. 2/ Also included in cattle slaughter. 3/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 4/ United States Department of Commerce. Imports for consumption. 5/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, December 1940, with comparisons

Item	Jan. :	Jan. :	Jan. :	1940		Jan. :
	average :	1939	1940	Nov. :	Dec. :	1941
	1924-33 :					
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Beef steers sold out of first hands at Chicago:						
Choice and Prime .....	12.20	12.19	10.94	13.59	13.92	14.19
Good .....	10.61	10.35	9.44	11.73	11.86	12.21
Medium .....	9.19	8.76	8.43	9.45	9.62	10.13
Common .....	7.82	7.36	7.40	7.49	7.83	8.34
All grades .....	9.69	10.35	9.46	12.06	11.85	11.90
Cows, Chicago:						
Good .....	6.77	7.16	6.76	7.32	7.25	7.90
Low Cutter and Cutter .....	4.09	4.92	<u>3/</u> 4.86	<u>3/5</u> 5.04	<u>3/</u> 4.84	<u>3/</u> 5.13
Vealers, Chicago:						
Good and Choice .....	11.43	9.42	11.47	10.52	10.56	12.23
Stocker and feeder steers,						
Kansas City:						
Average price all weights ....	<u>4/</u> 8.06	8.52	8.07	8.81	8.76	10.16
Average price paid by packers:						
All cattle .....	7.45	7.70	7.67	7.80	7.97	
Steers .....	<u>5/</u>	9.30	8.92	10.30	10.45	
Calves .....	9.50	8.69	9.05	7.97	8.09	

Compiled from reports of Agricultural Marketing Service.

1/ Good and Choice, 1924-27. 2/ Canner and Cutter, 1924-June 1926. 3/ Average of Cutter and Common, and Canner. 4/ Average 1925-33. 5/ Not available.



## Supplies of sheep and lambs, specified periods

Item	Unit	Year		Month							
		Av.		Av. 1924-33		1939-40		1940-41			
		1924-	1940	Dec.	Jan.	Dec.	Jan.	Nov.	Dec.	Jan.	
		33									
Slaughter under											
Federal inspection											
Sheep and lambs:											
Number slaughter-	Thou-										
ed 1/ .....	sands:	14,737	17,351	1,202	1,219	1,389	1,598	1,462	1,416	1,625	
Average live											
weight .....	Lb. :	81	86	84	86	89	90	88	90		
Average dressed											
weight .....	" :	39	41	40	40	42	42	41	42		
Total dressed	Mil.:										
weight .....	lb. :	569	702	47	49	58	67	59	59		
Lambs and yearlings:	Thou-										
Number slaughtered	sands:	13,678	16,253	1,117	1,134	1,321	1,517	1,363	1,336		
Percentage of total											
sheep and lambs ....	Pct.:	92.8	93.7	92.9	93.0	95.2	94.9	93.2	94.4		
Compiled from reports of Agricultural Marketing Service, except as specified.											
1/ Bureau of Animal Industry.											

Prices per 100 pounds of sheep and lambs, by months,  
November-January 1938-39 to 1940-41

Item	1938-39			1939-40		1940-41			
	Nov. Dol.	Dec. Dol.	Jan. Dol.	Nov. Dol.	Dec. Dol.	Jan. Dol.	Nov. Dol.	Dec. Dol.	Jan. Dol.
Slaughter lambs:									
Chicago-									
Good and choice 1/	8.84	9.02	8.92	9.25	8.87	9.08	9.49	9.43	10.28
Slaughter ewes:									
Chicago-									
Common and medium	2.80	2.91	2.97	2.86	2.91	3.14	3.26	3.30	4.23
Feeding lambs, Omaha:									
Good and choice	7.84	8.07	8.23	8.41	8.15	8.48	8.62	8.57	9.28
Average price paid									
by packers:									
Sheep and lambs	7.90	8.31	8.46	8.26	8.30	8.60	8.48	8.63	
Average price re-									
ceived by farmers:									
Sheep	3.53	3.69	3.83	3.83	3.79	3.86	3.88	3.99	4.35
Lambs	6.82	7.08	7.33	7.48	7.38	7.57	7.78	7.88	8.34

Compiled from reports of Agricultural Marketing Service.

1/ Lots averaging within top half of good grade.

Index numbers of income of industrial workers, and cash  
income from meat animals, specified periods

Item	Calendar year			Dec.	1940	
	1938	1939	1940	1939	Nov.	Dec.
Income of industrial workers						
(1924-29 = 100) .....	73	83	1/ 94	93	102	1/ 107
Cash farm income from meat animals:						
(1924-29 = 100) .....	78	81	1/ 86	82	2/ 91	1/ 92
1/ Preliminary. 2/ Revised.						